

TO:

All NIH Employees

OCT 2 7 2006

National Institutes of Health Bethesda, Maryland 20892

www.nih.gov

FROM:

Deputy Director for Management

SUBJECT: The NIH Green Plan for Competitive Sourcing

I am pleased to announce that NIH has recently completed successful negotiations with the Department of Health and Human Services (HHS) and the Office of Management and Budget (OMB) to reduce the number of NIH positions we will compete under the Competitive Sourcing Program, commonly known as A-76. The Competitive Sourcing Program's purpose is to ensure that Americans receive the greatest value for their tax dollars. The Program, in which government organizations compete with the private sector to obtain the best price for commercial work, is a key part of the President's Management Agenda.

Although the goals of Competitive Sourcing are important, we recognize that the Program can create challenges for the NIH Community. Therefore, over the last several years we put much effort into identifying ways to successfully implement Competitive Sourcing while minimizing disruption to the NIH mission. The result of this effort is the recently negotiated competitive sourcing "Green Plan." The Green Plan is the name for an agreement among NIH, HHS and OMB on what positions and functions will be reviewed for potential competitive sourcing competitions between now and 2008.

The new Competitive Sourcing Green Plan is a major step forward for NIH and supports continued success of the NIH mission. Under this Plan, NIH has reduced the number of positions remaining to be competed through 2008 by 60 to 70 percent. In some cases, the reduction is due to reclassifying positions that are commercial in nature but so closely tied to the NIH mission that they should not be competed. In other cases, we identified categories of positions that we will not compete but will allow to be filled by contract as the positions become vacant. Although several hundred positions must still be studied, we will conduct a detailed and careful examination of the work to decide the exact positions to be competed.

As we move forward and we have more information to share, I will be writing to you again. I expect that we will be able to provide an update soon on the specific functional areas that will be considered for review in 2007. If you have questions at any time, however, there are several resources available to you. You can send your questions to the NIH Commercial Activities Review Team (CART) at A-76@od.nih.gov. You may also visit the NIH Transition Center website at <a href="http://osmp.od.nih.gov/NIHTransitionCenter.asp">http://osmp.od.nih.gov/NIHTransitionCenter.asp</a>.

I am very pleased that we have been able to negotiate this plan. It preserves the success of the NIH mission, while enhancing our ability to provide the taxpayers with the greatest return on their investment. Lastly, I would like to take this opportunity to thank you all for your hard work and commitment to the NIH. We look forward to working with all of you to successfully implement this plan.

Colleen Barros